

**Award
NASD**

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 00-04394

John J. Quinn, III

Names of the Respondents

Hearing Site: Tampa, Florida

Prudential Securities, Inc. and Michael E. Bass

REPRESENTATION OF PARTIES

For John J. Quinn, III, hereinafter referred to as "Claimant": John C. Taylor, Jr., Esq., Taylor, Day & Currie, Jacksonville, Florida.

For Respondent Prudential Securities, Inc., hereinafter referred to as "Prudential": Leonard A. Spivak, Esq. and Thomas J. Kavalier, Esq., Cahill, Gordon & Reindel, New York, New York.

For Respondent Michael E. Bass, hereinafter referred to as "Bass": Jeffrey C. Regan, Esq., Hedrick, Dewberry & Regan, Jacksonville, Florida.

CASE INFORMATION

Statement of Claim filed on or about: October 3, 2000.

Letter to NASD dated January 23, 2001 filed.

Amended Statement of Claim filed on or about: October 16, 2001.

Claimant signed the Uniform Submission Agreement: October 2, 2000.

Answer and Defenses, Counterclaim and Cross-claim filed by Respondent Bass on or about: December 18, 2000.

Respondent Bass signed the Uniform Submission Agreement: December 18, 2000.

Response to the Statement of Claim of John J. Quinn, III and the Cross-claim filed by Michael E. Bass filed by Respondent Prudential on or about: March 16, 2001.

Respondent Prudential signed the Uniform Submission Agreement: April 24, 2001.

Amended Cross-claim filed by Respondent Bass on or about: July 20, 2001.

Answer to Cross-claim and "Counterclaim" filed by Respondent Prudential on or about: December 17, 2001.

Answer of Michael E. Bass to "Counterclaim" of Prudential Securities, Inc. filed on or about: January 7, 2002.

Respondent Prudential Securities Incorporated's Motion for Summary Adjudication, Seeking Dismissal of the Cross-claim Against it and an Award to it on its Counterclaim Against Mr. Bass filed on or about: February 11, 2002.

Cross-claimant Michael E. Bass' Memorandum in Opposition to Prudential Securities, Inc.'s Motion for Summary Adjudication filed on or about: April 29, 2002.

Affidavit in Opposition to Prudential Securities, Inc.'s Motion for Summary Judgement filed by Respondent Bass on or about: April 29, 2002.

Reply Memorandum of Prudential Securities Incorporated in Support of its Motion for Summary Adjudication Dismissing, as a Matter of Law, Bass' Cross-claim Against it filed on or about: May 15, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; breach of promissory note; tortious interference; unjustifiable refusal of Respondent Prudential to process Claimant's retirement; and, refusal by Respondent Prudential to pay Claimant retirement funds to which he is entitled. The causes of action relate to the former employment of Claimant by Respondent Prudential and the February 2000 Agreement entered into by Claimant and Respondent Bass.

Unless specifically admitted in his Answer, Respondent Bass denied the allegations made in the Statement of Claim, asserted various defenses and asserted the following causes of action in his cross-claim: unjust enrichment; conversion; unlawful restraint of trade; and, imposition. The causes of action relate to Respondent Bass' former employment with Respondent Prudential. Further, Respondent Bass asserted a counterclaim which requested that the arbitration panel issue a declaratory judgment as to the enforceability of the February 2000 Agreement.

Unless specifically admitted in its Answer, Respondent Prudential denied the allegations made in the Statement of Claim and Cross-claim and asserted various defenses. Furthermore, Respondent Prudential asserted a motion to dismiss Respondent Bass' cross-claim on the basis that it fails to state a claim under either New York law or alternatively, under Florida law. In addition, Respondent Prudential asserted a "counterclaim" against Respondent Bass which sought to enforce Respondent Bass' indemnity and to be made whole for its costs and attorneys' fees in defending this arbitration.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$3,000,000.00, specific performance requiring Respondent Bass to comply with his obligations under the February 2000 Agreement, an injunction against Respondent Prudential preventing further interference with the February 2000 Agreement, specific performance requiring Respondent Prudential to process Claimant's retirement papers, acknowledge Claimant as an employee effective June 1, 2000 and render an accounting of Claimant's benefits under the MasterShare retirement plan, plus attorney's fees, costs and other relief as is just and proper in this matter.

Respondent Bass requested in its counterclaim and/or cross-claim that the arbitration panel issue a declaratory judgment as to the enforceability of the February 2000 Agreement. Further, Respondent Bass requested that if the February 2000 Agreement is declared enforceable, that the arbitration panel declare the extent of Respondent Prudential's liability for the damages to Claimant and Respondent Bass, including whether Respondent Bass is excused from performance during the period of Respondent Prudential's interference, declare whether Claimant has

breached the February 2000 Agreement and whether said breach excused Bass' performance or limited Respondent Bass' obligations to Claimant and other further relief as is just and proper in this matter. In addition, in its cross-claim Respondent Bass requested an unspecified amount of compensatory damages, treble damages pursuant to Florida Statute 542.22(1) and reimbursement of the excessive penalties paid, plus interest, costs and attorney's fees. Further, Respondent Bass requested that Claimant's claims be denied and a dismissal of the "counterclaim" asserted against it by Respondent Prudential.

Respondent Prudential requested judgment dismissing Claimant's claims and Respondent Bass' cross-claim, plus an award of costs and attorney's fees as asserted in its "counterclaim" against Respondent Bass.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

During the pre-hearing conference on June 20, 2001, Claimant and Respondent Bass made ore tenus motions to amend the Statement of Claim and Cross-claim. On or about June 20, 2001, the panel issued an order which granted Claimant and Respondent Bass' requests.

On or about June 26, 2001, Claimant informed the NASD that he had reached a settlement with Respondent Bass.

On or about June 28, 2001, Respondent Bass informed the NASD that he had reached a settlement with respect to the counterclaim against Claimant.

On or about July 12, 2002, the panel issued an order which denied Respondent Bass' cross-claim against Prudential and denied Respondent Prudential's "counterclaim" against Respondent Bass.

On or about July 18, 2002, Claimant informed the NASD that he had reached a settlement with Respondent Prudential.

AWARD

After considering the pleadings, the oral arguments made by counsel for the parties and the record in this matter, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent Bass' cross-claims against Respondent Prudential are denied.

Respondent Prudential's claims against Respondent Bass are denied.

Any and all relief not specifically addressed herein, including Respondent Bass' request for treble damages, is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$500.00
Respondent Bass' Counterclaim/Cross-claim filing fee	= \$250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 16, 2002 through April 18, 2002, adjournment by Respondent Prudential = \$1,200.00

Injunctive Relief Fees

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Five (5) Pre-hearing sessions with the Panel @ \$1,200.00	= \$6,000.00
Pre-hearing conferences:	
June 20, 2001	1 session
November 16, 2001	1 session
December 13, 2001	1 session
March 25, 2002	1 session
June 17, 2002	1 session

Total Forum Fees	= \$6,000.00
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The Panel has assessed \$1,200.00 of the forum fees to Claimant.

The Panel has assessed \$3,000.00 of the forum fees to Respondent Bass.

The Panel has assessed \$1,800.00 of the forum fees to Respondent Prudential.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$500.00
Forum Fees	= \$1,200.00
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Total Fees	= \$1,700.00
Less payments	= \$1,700.00
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Balance Due NASD	= \$0.00

Respondent Prudential is solely liable for:

Member Fees	= \$7,600.00
Adjournment Fee	= \$1,200.00
Forum Fees	= \$1,800.00
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Total Fees	= \$10,600.00
Less payments	= \$8,800.00
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Balance Due NASD	= \$1,800.00

Respondent Bass is solely liable for:

Filing Fee	= \$250.00
Forum Fees	= \$3,000.00
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Total Fees	= \$3,250.00
Less payments	= \$1,250.00
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Balance Due NASD	= \$2,000.00

All balances are payable to NASD and are due immediately upon the parties' receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas F. Shine, Esq.
Kitty G. Grubb, Esq.

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Public Arbitrator, Presiding Chair
Public Arbitrator

August 7, 2002
Date of Service (For NASD office use only)

Michael D. Walsh

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas F. Shine

Thomas F. Shine, Esq.
Public Arbitrator, Presiding Chair

July 31, 2002
Signature Date

Kitty G. Grubb, Esq.
Public Arbitrator

Signature Date

Michael D. Walsh
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

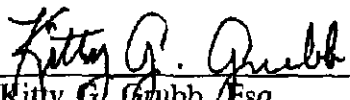
Michael D. Walsh

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas F. Shine, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Kitty G. Grubb, Esq.
Public Arbitrator

08/01/02
Signature Date

Michael D. Walsh
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Michael D. Walsh

Non-Public Arbitrator


Concurring Arbitrators' Signatures

Thomas F. Shine, Esq.
Public Arbitrator, Presiding Chair

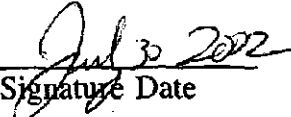
Signature Date

Kitty G. Grubb, Esq.
Public Arbitrator

Signature Date



Michael D. Walsh
Non-Public Arbitrator



Signature Date

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